

~~SECRET~~

MEMORANDUM FOR: Chief, Printing Services, Office of Logistics

SUBJECT: Review of Calendar Year 1958 Operations of Administration Building Printing Plant

1. In response to your verbal request of 24 January 1958, a member of this Staff has analyzed the cost data compiled under the cost accounting system of the Administration Building printing plant during the period 13 January to 31 December 1957, and the obligations and expenditures for the same period.

2. The data in the attached cost analysis indicates that the cost accounting system in use at the Administration Building printing plant proved very satisfactory in its first year of operation. The \$19,487 net operating profit reflected on the cost analysis is equal to about 2% of the cost of the printing work done or the computed income of the printing plant during the period 13 January to 31 December 1957, which in this type of system is about as close an operating margin as you can safely achieve.

3. This Office recommends that no changes be made at this time in either the procedures or the overhead and depreciation percentage rates being used under the present cost accounting system for the Administration Building printing plant. Another cost analysis will be made after the end of the fiscal year 1958, as soon as the income and expense figures for 1958 are made available to this Office.

25X1A9a

Chief, Technical Accounting Staff

Attachment:

Distribution:

Orig. & 1 - Addressee
1 - Comptroller

25X1A9a

TAS Reading
TAS Subject

~~SECRET~~

TAS: HML/nlr (7 Feb 58)

**Cost Analysis of Computed Income and Expenses of the Administration
Building Printing Plant During the Period 13 January to 31 December 1957**

Computed Income:

| | | |
|--|----------------|-----------|
| Printing Jobs Completed | \$ 853,439 | |
| Work in Process <i>4/12-31-57 per Mark & Brady</i> | <u>105,800</u> | |
| Gross Computed Income | | \$959,239 |

Expenses:

1,307,742

Expenditures and 12/31/57 Unliquidated Obligations \$1,307,742

Less:

| | | |
|--|-------------------------------|---------------|
| Equipment Purchased | \$208,573* | |
| Nov. and Dec. 1957 Obligation for rental of equipment not received yet | 3,106 | |
| Purchase Orders covering supplies not delivered as of 12/31/57 | <u>23,700</u> <u>-205,444</u> | |
| Net Operating Expenses | | \$1,014,298 ✓ |

Less Increase in Supplies Inventory:

| | | |
|---------------------------------|------------------------------|--|
| Opening Inventory, 13 Jan. 1957 | \$3,700 | |
| Closing Inventory, 31 Dec. 1957 | <u>79,435</u> <u>-66,600</u> | |

Cost of Printing Work Done \$947,620

Gross Profit \$ 44,394

Less:

| | | |
|---|---------------|------------------|
| Depreciation on Equipment included in above income figures. | <u>15,397</u> | |
| Net Operating Profit | | <u>\$ 19,457</u> |

* Includes \$208,573 paid to GPO for used equipment.

~~SECRET~~